

7 July 1980

MEMORANDUM

SUBJECT: NODIS Traffic on Schmidt-Brezhnev Meeting

1. USNATO 4962, 4985, and 4990 report West German State Secretary Van Well's 3 July briefing to the allies on the arms control aspects of the Schmidt-Brezhnev conversations. State 176036 and 177365 discuss Genscher's talks with Secretary Muskie and Political-Military Bureau Director Bartholemew on the same topics. The information in all these cables is complementary.

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2. West Germany believes that the USSR is on the defensive; Moscow is now convinced that last December's dual decision on LRTNF modernization and arms control is firm and therefore has dropped its opposition to negotiate TNF limits. Bonn does not view this as a breakthrough, and reminds its allies that the Schmidt-Brezhnev talks were just the first step in a long process. However, the West Germans do believe that it is an important development, underscoring the correctness of the December decision. Genscher believes that it will reinforce Italian support for modernization and hopes that it will help the Belgians make an early deployment decision. The West Germans still write off the Dutch.

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3. Both Genscher and Var. Well reported that Schmidt conveyed to Brezhnev two questions from President Carter concerning Soviet willingness to abide by the conditions of SALT II or open SALT III talks while SALT II is still unratified. Brezhnev replied that SALT II is not binding until ratified. He did not rule out preliminary SALT III talks, but suggested that such discussions might hurt the chances of SALT II ratification.

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- 4. Brezhnev charged that the December decision was a Western attempt to break the strategic balance, and that Bonn was as responsible as Washington. Brezhnev then stated that he saw four ways to proceed:
 - (a) NATO could reverse the December decision in line with last fall's Soviet offer to discuss LRTNF. This was Brezhnev's preferred solution, but he recognized that it was unlikely.
 - (b) The USSR could begin to discuss LRTNF as part of SALT III. This is not acceptable to Moscow as long as SALT II remains unratified.
 - (c) Both sides could renounced stationing mediumrange missiles in Central Europe. Brezhnev rejected this as unequal.
 - (d) Brezhnev suggested that it would be possible to open LRTNF discussions before SALT II ratification, but no agreement could go into force until the treaty was ratified. Such discussions should include US foward-based systems, but would exclude UK, French, and Chinese forces. West Germany feels that this is a "qualification" not a "precondition" to Soviet acquiescence to LRTNF talks.

5. On MBFR, Brezhnev indicated that the USSR will offer a phase I reduction of 20,000 Soviet and 13,000 US troops in addition to the 20,000 men Moscow has unilaterally promised to withdraw from Central Europe.

6. Moscow opposes the French suggestion that a post-Madrid security conference expand the area of application for confidence-building measures from the Helsinki guidelines, which include a 250 kilometer swath of the USSR, to include all of the European USSR. This is a major sticking point between the French and Soviet positions.

7. Only brief and preliminary allied reactions were forthcoming at the North Atlantic Council meeting. Many allies urged the Belgians to make their deployment decision, while the Belgians asked whether such a decision might cause the Soviets to back off their willingness to talk. Opinions varied considerably as to the chances for an early Belgian decision.

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